



**STATE OF TENNESSEE
DEPARTMENT OF FINANCIAL INSTITUTIONS
414 UNION STREET, SUITE 1000
NASHVILLE, TENNESSEE 37219
(615) 741-2236 FAX (615) 741-2883**

MEMORANDUM

TO: ALL INDUSTRIAL LOAN & THRIFT REGISTRANTS

FROM: Compliance Division

DATE: May 20, 2008

RE: ANNUAL REPORT required by Tenn. Code Ann. § 45-5-503

Pursuant to Tenn. Code Ann. § 45-5-503(a), each registrant shall file an annual report with the Commissioner by July 31 of each year. Furthermore, Tenn. Code Ann. § 45-5-503(c) requires that the report shall be filed in a form that may reasonably be required by the Commissioner and shall be sworn to by a responsible officer of the registrant.

Enclosed, please find the Uniform State Report/Annual Report Form and the accompanying instructions, Tenn. Code Ann. §45-5-503 requires that this report be returned to this department no later than July 31, 2008.

This report is designed to cover the lending activities conducted under the Industrial Loan and Thrift Companies Act. Accordingly, if you are acting only as an endorsement company it will not be necessary to complete the form in its entirety. Instead, simply print "Broker" in the upper left corner of page 8 of the annual report and complete the information under the heading "REPORTING ENTITY." Do not complete the report's schedules A-H.

If you have any questions regarding the above matters, please contact our office at (615) 741 -3186.



STATE OF TENNESSEE
DEPARTMENT OF FINANCIAL INSTITUTIONS
414 UNION STREET, SUITE 1000
NASHVILLE, TENNESSEE 37219
(615) 741-2236 FAX (615) 741-2883

UNIFORM STATE REPORT/ANNUAL REPORT
INTRODUCTION

The purpose of the uniform state report is to provide a detailed summary of information for all operations conducted by the legal entity required to file in accordance with the provisions set forth under the Regulated Loan Act, or imposed by the regulating authority administering the Act.

The reporting entity must follow all instructions explicitly. If a company or affiliate operates more than one licensed office, the report must be on a composite basis. When preparing the report, do not underline or change captions. **REPORT ALL AMOUNTS IN EVEN DOLLARS.** Where insufficient space is provided to set forth the facts adequately, attach a schedule giving the details.

DESCRIPTION OF LINES OF BUSINESS TO BE REPORTED

Throughout the report various references are made to the types of business activities engaged in by the reporting entity. These activities are defined as follows:

Regulated Loan Business – is business activity which necessitates the filing of an annual report.

Other Business - all other loan and non-loan related activities engaged in by the reporting entity not included as part of Regulated Loan Business.

Total Business - sum of all activities engaged in by the reporting entity.

NOTE: IF THERE IS MORE THAN ONE REGULATED LOAN BUSINESS IN A PARTICULAR STATE REQUIRING THE FILING OF AN ANNUAL REPORT, THE REPORT PRESENTED TO THAT STATE SHOULD BE MODIFIED TO INCLUDE AN ADDITIONAL SET OF COLUMNS FOR EACH REGULATED TYPE OF BUSINESS.

The following schedule letters, captions, and item numbers correspond with those shown in the report.

Reporting Entity

Items

- (1 & 2) Refer to the general instruction on the face of the report if filing on a composite basis.
- (3) Indicate the type of business organization which best describes the reporting entity.
- (4) Self-explanatory.
- (5) Self-explanatory.

SCHEDULE A **Regulated Loan Business Profit Percentages**

This schedule summarizes operating results by computing two (2) basic elements of concern from the factual information contained within the report. They are Rate of Return and Analysis of Charges on Loans.

Rate of Return

- (6) Average Net Receivables Outstanding - NOTE: For purposes of this report "Net Receivables" are defined as gross receivables less unearned interest or discount before deducting reserve for bad debts as reported in Schedule C, column 40c, Row N.
- (7) Net Income - Per Schedule B, Item 38.
- (8) Average Rate of Return - Item 7 divided by Item 6.

Analysis of Charges on Loans

- (9) Calendar year gross Charges Collected and/or Earned - Per Schedule B, Item 14, column 1.
- (10) Average Monthly Rate Collected - Computed by dividing Item 9 by Item 6 and the result divided by twelve. In cases where a reporting entity has not been in operation for a full twelve (12) months, the result shall be divided by the actual number of months in operation.

Analysis of Expense per Account

- (11) Average Number of Accounts Outstanding - Per Schedule C, Item 39, Row N.
- (12) Total Expenses - Per Schedule B, Item 37, column 1.
- (13) Average Monthly Expense per Account - Computed by dividing Item 12 by Item 11 and the result divided by twelve (12) months. In the case where a licensee has not been in operation for a full twelve (12) months, the result shall be divided by the actual number of months in operation.

SCHEDULE B **Statement of Income and Expenses**

The purpose of this schedule is to show all income and expenses derived or produced by the reporting entity throughout the calendar year covered by the report.

- (14) Calendar Year Gross Charges Collected and/or Earned - This account must include all income derived from receivables. If the reporting entity's books are kept on a cash basis, this item will show the actual charges collected. If the reporting entity's books are kept on an accrual basis, this item will show the charges earned.
- (15) Other Income - This account must itemize all other revenue earned or collected by the reporting entity not derived from receivables.
- (16) Total Operating Income - The sum of Items 14 and 15.
- (17) Advertising - This account must show the amount incurred by the reporting entity during the year for promoting or retaining the business of the reporting entity. Show only the amount for purchases of advertising supplies or outside services.
- (18) Auditing - This account must show the amount incurred by the reporting entity during the year for accounting and auditing services.
- (19) Bad Debts - This account must show the reporting entity's bad debts actually written off or accrued during the year.
- (19)(a) Charge-offs - This line must show the bad debt expense for reporting entities using a direct charge-off method.
- (19)(b) Deduct: Collections on Accounts Previously Charged-off - This account must show the total of amounts (principal, interest and other charges) received by the licensee during the year which were previously written off as a bad debt.
- (19)(c) Additions to Reserve for Bad Debts - This account must show the addition to reserve for reporting entities using the accrual method.
- (20) Depreciation and Amortization - This account must show amount expensed for fixed assets and other depreciable assets, such as debt expenses, organization expense, etc.
- (21) Insurance & Fidelity Bonds - This account must show the amount expended by the reporting entity during the year for all insurance and bonding of employees.
- (22) Legal Fees & Disbursements - This account must show the amount expended by the reporting entity during the year for legal fees and disbursements related to the activities of outside counsel. Do not include recording and notary fees.
- (23) Postage, Printing, Stationery and Supplies - Self-explanatory.
- (24) Rent, Janitorial Services and Utilities - This account must show the total amount paid by the reporting entity during the year for the rental of (buildings, office equipment, etc.) janitorial services and utilities, including heat, light, water, sewer, etc. Expenses for janitorial services must be included here if they are not performed by an employee. If they are performed by an employee, include in Item 26.
- (25) Salaries of Officers, Owners and Partners - This item must include all salaries, bonuses, pensions paid during the year.
- (26) Salaries of all other Employees - This item must include all salaries, bonuses, wages, pensions paid during the year.
- (27) Taxes Other Than on Income - This item must include all property taxes, and any other taxes which are not shown separately.
- (28) Licensee Fees - This account must show the amount incurred by the licensee during the year for license fees paid to city, county, state and federal governments.
- (29) Telephone and fax - Self-explanatory.
- (30) Travel, Auto Expense and Allowance - This account must show the amount incurred by the licensee during the year for travel and travel related activities. The amount must include but is not limited to either direct payment or employee reimbursements of air, taxi, bus, train, auto rental and leasing fees; lodging and meals, travel insurance; use of employee vehicles and gasoline, registration and other fees, insurance, and repairs associated with vehicles owned by the reporting entity.

- (31) Supervision and Administration - This account must show the total amount of the expenses of an affiliated company during the year directly assigned and/or allocated to the reporting entity when not allocated to other items.
- (32) Other Expenses - This account must list all other expenses incurred by the reporting entity not otherwise shown.
- (33) Interest Paid on Borrowed Funds - Represents total interest expense on all debt obligations during the year.
- (34) Total Expenses Before Income Taxes - Total of Items 17 - 33.
- (35) Income Before Income Taxes - Item 16 less Item 34.
- (36) Income Taxes - This item must show the amount of state and federal income taxes paid or accrued for the year.
- (37) Total Expenses - Sum of Items 34 and 36.
- (38) Net Income - Item 16 less Item 37.

SCHEDULE C **Statement of Earning Assets**

The purpose of this schedule is to provide a statement of earnings assets throughout the calendar year covered by the report.

(39) Number of Accounts Outstanding – Number of accounts outstanding at the end of each month. Divide Row M by twelve (12). In cases where a reporting entity has not been in operation for a full twelve (12) months, the result shall be divided by the actual number of months in operation.

(40) Loans Receivable

Column (40)(a) Gross Receivables – Accounts receivable that are outstanding at the end of each month. Total all amounts in Row M and divide total of Row M by twelve (12). In cases where a reporting entity has not been in operation for a full twelve (12) months, the result shall be divided by the actual number in operation.

Column (40)(b) Less Unearned Finance Charges – Divide Row M by twelve (12). In cases where a reporting entity has not been in operation for a full twelve (12) months, the result shall be divided by the actual number of months in operation.

Column (40)(c) Total Net Loans Receivable – Divide Row M by twelve (12). In cases where a reporting entity has not been in operation for a full twelve (12) months, the result shall be divided by the actual number of months in operation.

Column (40)(d) Less Reserve for Bad Debts – Divide Row M by twelve (12). In cases where a reporting entity has not been in operation for a full twelve (12) months, the result shall be divided by the actual number of months in operation.

Column (40)(e) Adjusted Net Receivables - Determined by subtracting column 40d from column 40c. Divide Row M by twelve (12). In cases where a reporting entity has not been in operation for a full twelve (12) months, the result shall be divided by the actual number of months in operation.

SCHEDULE D **Delinquency Summary**

The purpose of this schedule is to summarize delinquency on Regulated Loans using recency. If the reporting entity does not maintain statistics on recency, contractual delinquency may be reported provided disclosure of this fact is made in Schedule G, State of Operating Policies.

(41) Past due Accounts - Accounts which have had no collection of principal, interest or charges for 60 days or more. Items 41a and 41b are mutually exclusive as Item 41a should exclude amounts which are included under 16b. Item 41d is computed by dividing Item 41c by column 40a, Row L (gross outstanding at December 31).

SCHEDULE E
Analysis of Regulated Loan and Other Business Activity

- (42) Loans Outstanding at Beginning of Year - Same as Item 57 for the preceding year.
- (43) Loans Made During Year - This item must show the total number and net amount.
- (44) Loan Balances Purchased During Year - Self-explanatory.
- (45) Total - Sum of Items 42 through 44.
- (46) Loan Balances Charged-Off During Year - Self-explanatory.
- (47) Loan Balances Sold During the Year - Self-explanatory.
- (48) Loans Outstanding at End of Year - Must agree with Net Loans Receivable per Schedule C, column 40c, Row L.
- (49) Total - Sum of Items 46 through 48.
- (50) Collections of Principal During the Year - Item 45 less Item 49.
- (51) Size Distribution of Regulated Loans Made During Year - This item must be completed to show the size distribution, by amount financed, of loans by number and net amount for the year.
- (52) Distribution of Regulated Loans Made by Type of Security - In many cases loans may be made on more than one type of security. In such instances, classify according to primary security.

SCHEDULE F
Legal Action

This schedule is designed to show cases in which legal remedies are used for collection of Regulated Business Accounts.

SCHEDULE G
Statement of Operating Policies

In narrative form, set forth the accounting and/or operating policies during the period covered by this report. If there was a change in any policy since the filing of previous annual report, describe the former policy, the new policy, and the effective date of change from the old policy to the new policy.

SCHEDULE H
Supplemental Insurance Information

This supplement is designed to provide profile information on insurance services made available to the borrower at their option.

AFFIDAVIT

The affidavit must be executed, if a corporation, by a duly authorized officer of such corporation, or by a partner, if a partnership, or by the owner, if an individual. In the case of illness or inability of such person to sign the affidavit, it may be executed in such case by a legal representative or agent. The affidavit should be made before a Notary Public or other person authorized to administer oaths.

FILE WITH:
TENNESSEE DEPARTMENT OF FINANCIAL INSTITUTIONS
COMPLIANCE DIVISION
414 UNION STREET, SUITE 1000
NASHVILLE, TN 37219

ANNUAL REPORT

CALENDAR YEAR ENDING DECEMBER 31, _____

LICENSEES ENGAGED IN THE BUSINESS OF MAKING REGULATED LOANS

IN THE STATE OF _____

READ THE INSTRUCTIONS CAREFULLY BEFORE COMPLETING THIS REPORT

This form must be completed for each licensed office, unless a company or affiliate operates more than one licensed office in this state, in which case this report should be on a Composite basis and Supplemental Schedule must be completed. In such instances enter under "Reporting Entity" the name of the parent company in Item 1; "Composite" under Item 2; and annex a separate schedule to include Items 1 and 2 for each licensed location contained in this report.

REPORTING ENTITY

1. Name of Licensee _____ License Number _____
2. Place of Business _____
3. Sole Proprietorship _____ Partnership _____ Corporation _____ Other _____
4. Number of offices included in this report _____
5. Number of employees within the state at year end _____

SCHEDULE A REGULATED LOAN BUSINESS PROFIT PERCENTAGES

RATE OF RETURN

6. Average Net Receivables Outstanding
(Must agree with Schedule C, column 40c, Row N) \$ _____
7. Net Income (Schedule B, Item 38) \$ _____
8. Average Rate of Return (Item 7 divided by Item 6) _____ %

ANALYSIS CHARGES ON LOANS

9. Calendar year gross Charges Collected and/or Earned (Schedule B, Item 14, column 1) \$ _____
10. Average Monthly Rate Collected (See Instructions) _____ %

ANALYSIS OF EXPENSE PER ACCOUNT

11. Average Number of Accounts Outstanding
(Must agree with Schedule C, Item 39, Row N) \$ _____
12. Total Expenses (Schedule B, Item 37, column 1) \$ _____
13. Average Monthly Expense per Account (See Instructions) \$ _____

SCHEDULE B
STATEMENT OF INCOME AND EXPENSES

FOR CALENDAR YEAR OF JANUARY 1, _____ TO DECEMBER 31, _____

	Column 1 Regulated Loan Business	Column 2 Other Business	Column 3 Total Business
14. Calendar year gross Charges Collected and/or Earned	\$ _____	\$ _____	\$ _____
15. Other Income (itemize)	\$ _____	\$ _____	\$ _____
(a) _____	\$ _____	\$ _____	\$ _____
(b) _____	\$ _____	\$ _____	\$ _____
(c) _____	\$ _____	\$ _____	\$ _____
16. Total Operating Income	\$ _____	\$ _____	\$ _____
EXPENSES			
17. Advertising	\$ _____	\$ _____	\$ _____
18. Auditing	\$ _____	\$ _____	\$ _____
19. Bad Debts	\$ _____	\$ _____	\$ _____
(a) Charge-offs	\$ _____	\$ _____	\$ _____
(b) Deduct: Collections on Accounts Previously Charged Off	(_____)	(_____)	(_____)
(c) Additions to Reserve for Bad Debts	\$ _____	\$ _____	\$ _____
20. Depreciation and Amortization	\$ _____	\$ _____	\$ _____
21. Insurance and Fidelity Bonds	\$ _____	\$ _____	\$ _____
22. Legal Fees and Disbursements	\$ _____	\$ _____	\$ _____
23. Postage, Printing, Stationery and Supplies	\$ _____	\$ _____	\$ _____
24. Rent, Janitorial Services and Utilities	\$ _____	\$ _____	\$ _____
25. Salaries of Officers, Owners and Partners	\$ _____	\$ _____	\$ _____
26. Salaries of all other Employees	\$ _____	\$ _____	\$ _____
27. Taxes - Other than on Income	\$ _____	\$ _____	\$ _____
28. License Fees	\$ _____	\$ _____	\$ _____
29. Telephone and fax	\$ _____	\$ _____	\$ _____
30. Travel, Auto Expense and Allowance	\$ _____	\$ _____	\$ _____
31. Supervision and Administration (when not allocated to other items)	\$ _____	\$ _____	\$ _____
32. Other Expenses	\$ _____	\$ _____	\$ _____
(a) _____	\$ _____	\$ _____	\$ _____
(b) _____	\$ _____	\$ _____	\$ _____
(c) _____	\$ _____	\$ _____	\$ _____
33. Interest Paid on Borrowed Funds	\$ _____	\$ _____	\$ _____
34. Total Expenses before Income Taxes	\$ _____	\$ _____	\$ _____
35. Income before Income Taxes	\$ _____	\$ _____	\$ _____
36. Income Taxes	\$ _____	\$ _____	\$ _____
(a) State	\$ _____	\$ _____	\$ _____
(b) Federal	\$ _____	\$ _____	\$ _____
37. Total Expenses (Item 34 plus Item 36)	\$ _____	\$ _____	\$ _____
38. Net Income (Item 16 less Item 37)	\$ _____	\$ _____	\$ _____

SCHEDULE C
STATEMENT OF EARNING ASSETS

FOR CALENDAR YEAR JANUARY 1, _____ TO DECEMBER 31, _____

Regulated Loan Business

Number

39. Number of Accounts Outstanding

(a) January	_____
(b) February	_____
(c) March	_____
(d) April	_____
(e) May	_____
(f) June	_____
(g) July	_____
(h) August	_____
(i) September	_____
(j) October	_____
(k) November	_____
(l) December	_____
 (m) TOTAL	_____
 (n) Total amount divided by 12	_____ %

Regulated Loan Business

40. Loans Receivable

	40a Gross Receivables	40b Less Unearned Finance Charges	40c Total Net Loans Receivable	40d Less Reserve for Bad Debt	40e Adjusted Net Receivables
(a) January	_____	_____	_____	_____	_____
(b) February	_____	_____	_____	_____	_____
(c) March	_____	_____	_____	_____	_____
(d) April	_____	_____	_____	_____	_____
(e) May	_____	_____	_____	_____	_____
(f) June	_____	_____	_____	_____	_____
(g) July	_____	_____	_____	_____	_____
(h) August	_____	_____	_____	_____	_____
(i) September	_____	_____	_____	_____	_____
(j) October	_____	_____	_____	_____	_____
(k) November	_____	_____	_____	_____	_____
(l) December	_____	_____	_____	_____	_____
 (m) TOTAL	_____	_____	_____	_____	_____
 (n) Total amount divided by 12	_____ %	_____ %	_____ %	_____ %	_____ %

**SCHEDULE D
DELINQUENCY SUMMARY**

FOR CALENDAR YEAR END DECEMBER 31, _____

Regulated Loan Business

	Number	Unpaid Balance
41. Past due accounts, 60 days or more (see instructions)		
(a) 60-89 days	_____	\$ _____
(b) 90 days or more	_____	\$ _____
(c) Total	_____	\$ _____
(d) Recency Delinquency as a Percent of Gross Outstanding (Item 41c divided by Column 40a, Row L)		_____ %

**SCHEDULE E
ANALYSIS OF REGULATED AND OTHER BUSINESS ACTIVITY**

NOTE: All balances provided in this Schedule should exclude unearned finance charges.

	Column 1 Regulated Loan Business Number	Net Amount	Column 2 Other Business Number	Net Amount
42. Loans outstanding at beginning of year (must agree with Schedule E, Item 57 of preceding year's report)	_____	\$ _____	_____	\$ _____
43. Loans made during year (Column 1 must agree with Items 51e and 52g)	_____	\$ _____	_____	\$ _____
44. Loan balances purchased during year	_____	\$ _____	_____	\$ _____
45. Total (Items 42 through 44)	_____	\$ _____	_____	\$ _____
46. Loan balances charged-off during year	_____	\$ _____	_____	\$ _____
47. Loan balances sold during year	_____	\$ _____	_____	\$ _____
48. Loans outstanding at end of year	_____	\$ _____	_____	\$ _____
49. Total (Items 46 through 48)	_____	\$ _____	_____	\$ _____
50. Collections of principal during the year (Item 45 less Item 49)	_____	\$ _____	_____	\$ _____

51. Size Distribution of Regulated Loans made during year:

	Number	Net Amount
(a) 1,000 or less	_____	\$ _____
(b) 1,001 to 5,000	_____	\$ _____
(c) 5,001 to 10,000	_____	\$ _____
(d) In excess of 10,000	_____	\$ _____
(e) Total (must agree with Item 43, Column 1)	_____	\$ _____

52. Distribution of Regulated Loans Made by Type of Security:

	Number	Net Amount
(a) Household Goods Only	_____	\$ _____
(b) Automobiles Only	_____	\$ _____
(c) Both Household Goods and Automobiles	_____	\$ _____
(d) Unsecured	_____	\$ _____
(e) Real Estate	_____	\$ _____
(f) Other	_____	\$ _____
(g) Total (must agree with Item 43, Column 1)	_____	\$ _____

**SCHEDULE F
REGULATED LOAN BUSINESS
LEGAL ACTION**

NOTE: A borrower's account may appear under any one or all classifications below.

	Number of Accounts	Amount Due
53. Suits for recovery:		
(a) Suits instituted during period	_____	\$ _____
(b) Suits settled before judgment during period	_____	\$ _____
54. Possession of chattels obtained by licensee:		
(a) Household goods	_____	\$ _____
(b) Automobiles	_____	\$ _____
(c) Other chattels and property	_____	\$ _____
55. Sales of chattels by licensee:		
(a) Number	_____	
(b) Amount due		\$ _____
(c) Amount collected		\$ _____

**SCHEDULE G
STATE OF OPERATING POLICIES**

FOR CALENDAR YEAR JANUARY 1, _____ TO DECEMBER 31, _____

In narrative form, set forth the accounting and/or operating policies during the period covered by this report for items such as: income recognition, establishing reserve for bad debts and charge-off procedure; allocation of interest expense and supervision and administration expenses of the parent company or affiliate to Regulated Loan Licensees; as well as the expense allocation method used in Schedule B.

If there was a change in any policy since the filing of the previous annual report, describe the former policy, the new policy, and the effective date of change from the old policy to the new policy.

**SCHEDULE H
SUPPLEMENTAL INSURANCE INFORMATION**

56. Name of Insurance Companies for Customers of Licensees:

- (a) Credit Life _____
- (b) Accident and Health _____
- (c) Property _____
- (d) Motor Vehicle _____
- (e) Involuntary Unemployment _____
- (f) Credit Related (Term Life/AD&D) _____
- (g) Other (Specify) _____

AFFIDAVIT

STATE OF _____

COUNTY OF _____

I, _____, the undersigned, being the _____
of the _____, licensee swear (or affirm), that to the best of my knowledge and belief the
statements contained in this report, including the accompanying schedules and statements (if any) are true and that the same is a true
and complete statement in accordance with the law.

Subscribed and sworn to before me this _____ day of _____ A. D. _____

My commission expires: _____